

W-03067A-08-0380



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ARIZONA CORPORATION COMMISSION

ORIGINAL

UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion

No. 2008 - 70176

Date: 7/25/2008

Complaint Description:

08A Rate Case Items - Opposed

N/A Not Applicable

Complaint By:

First:

Albert

Last:

Krause

Account Name:

Albert Krause

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City:

Beaver Dam

CBR: [REDACTED]

State:

AZ Zip: 86432

is: E-Mail

Utility Company:

Beaver Dam Water Company, Inc.

Division:

Water

Contact Name:

Contact Phone: [REDACTED]

Nature of Complaint:

7/25/08 Docketed under W-03067A-08-0380

Received email correspondence from Mr. Albert Krause.

Arizona Corporation Commission

DOCKETED

From: Albert Krause [REDACTED]

Sent: Wednesday, July 23, 2008 11:37 AM

To: Utilities Div - Mailbox

Subject: Impending Increase in Water Rate

JUL 31 2008

DOCKETED BY

[Signature]

Sir:

I hope I am directing this to the proper agency, and if not, please advise.

We live in Beaver Dam, AZ 86432 and the local water company (Beaver Dam Water Co., Inc.) has notified us that they have submitted a request for a revenue increase of 110.05%.

Their reason is that, besides maintenance costs, they have not had a rate increase in 20 years, but that is misleading, as the Beaver Dam population has been stagnant until the recent housing boom which has now burst. That being said, there is another developer who wants to come in here, but cannot because of no guarantee of water. That casts some doubt as to the legitimacy of the water company's rationale.

Even so, this increase seems WAY out of proportion. We are now paying, on average, \$22 monthly for about 3000 gallons, which, by the figures quoted above, will double. A small sum to many, but most of us up here are retirees on Social Security. (Couple that with increasing property taxes, et al, and these costs start to squeeze.)

It should be noted that every time we lose power up here, the water is shut off as the water company has no backup generators. These outages on occasion will last almost a day. If there is an increase in fees, it should

AZ CORP COMMISSION
DOCKET CONTROL

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be for acquisition of backup generators.

And, in my opinion, the Company would be better advised to increase rates by a small percentage each year (the Slowly Boil The Frog approach) rather than blast us with a single huge increase. I realize there might also be the Ask-for-100%-and-settle-for-50% negotiating ploy at work here, but in any event, we believe some pressure should be put on the supplier to include backup facilities in any rate increase. Otherwise, I suspect, we'll be hit with another 100% for just that purpose.

Yours truly,

Albert Krause


End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

7/25/08 Email Mr. Krause the following letter.

July 25, 2008

RE: BEAVER DAM WATER COMPANY, INC.

Dear Mr. Krause:

Your email regarding the Beaver Dam Water Company, Inc. ("Beaver Dam") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the Beaver Dam application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me toll free at (800) 222-7000.

Sincerely,

Alfonso Amezcua
Public Utilities Consumer Analyst II
Utilities Division
End of Comments

Date Completed: 7/25/2008

Opinion No. 2008 - 70176